

INTERAGENCY SERVICE AGREEMENT

Between
ARIZONA DEPARTMENT OF HOUSING
and
ARIZONA DEPARTMENT OF HEALTH SERVICES

Contract # HS332319

THIS INTERAGENCY SERVICE AGREEMENT is entered into pursuant to Arizona Revised Statutes § 11-952 by and between the Arizona Department of Housing (hereinafter called "Housing"), and the Arizona Department of Health Services (hereinafter called "ADHS").

WHEREAS ADHS desires that Housing perform certain services as described in the scope of work attached hereto as Exhibit A and incorporated herein, and the Agency desires to perform such services upon and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I. SCOPE OF WORK. Housing shall use reasonable efforts to perform the services specified in Exhibit A attached hereto.

ARTICLE II. ASSIGNED STAFF. The Agency shall provide skilled staff for the tasks as indicated in Exhibit A.

ARTICLE III. PERIOD OF PERFORMANCE. This Agreement shall begin on March 1, 2003 and shall terminate on February 28, 2004. This Agreement may be modified or extended at any time by mutual written consent of both parties.

ARTICLE IV. SPECIAL PROVISIONS.

1. **Reimbursement.** ADHS will reimburse Housing through a transfer of \$32,400.00 in one lump sum as the total amount paid to Housing to perform the responsibilities identified in this Agreement. ADHS has approximated that under this contract they expect to fund eight (8) single-family units and one (1) small multi-family complex, though the number of units may vary slightly from this estimate. \$32,400.00 constitutes the entire amount transferred under this Agreement unless housing development projects in excess of eleven (11) units are identified or the unit mix otherwise deviates significantly from expected units described above, at which time ADHS and Housing agree to renegotiate additional reimbursement to Housing for additional services. Housing will keep an accounting of project-related reimbursements for these fees. When this ISA ends or is terminated, Housing shall return any unspent funds to ADHS.
2. **Notices.** Notices made by either party to the other party under this Agreement shall be addressed as follows:

If to Housing:

Special Needs Housing Programs Manager
Arizona Department of Housing
1700 West Washington Avenue, Suite 120
Phoenix, AZ 85007

If to ADHS:

ADHS Deputy Director
Arizona Department of Health Services
2122 East Highland Avenue, Suite 100
Phoenix, AZ 85016

After July 4, 2003

150 North 18th Avenue, 2nd Floor
Phoenix, AZ 85007

ARTICLE V. GENERAL PROVISIONS.

1. **Entire Agreement.** This Agreement embodies the entire understanding of the parties and supersedes any other agreement or understanding between the parties relating to the subject matter. The parties agree that should any part of this Agreement be held to be invalid or void, the remainder of the Agreement shall remain in full force and effect and shall be binding upon the parties.
2. **Waivers.** No waiver, amendment or modification of this Agreement shall be valid or binding unless written and signed by the parties. Waiver by either party of any breach or default of any clause of this Agreement by the other party shall not operate as a waiver of any previous or future default or breach of the same or different clause of this Agreement.
3. **Assignment.** Neither party may assign any rights hereunder without the express, written, prior consent of both parties.
4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.
5. **Conflict of Interest.** This Agreement is subject to the provisions of A.R.S. 38-511. The State of Arizona may cancel this Agreement if any person significantly involved in negotiating, drafting, securing or obtaining this Agreement for or on behalf of Housing or ADHS becomes an employee in any capacity of any other party or a consultant to any other party with reference to the subject matter of this Agreement while the Agreement or any extension thereof is in effect.
6. **Termination.** Either party may at any time terminate this Agreement by giving the other party not less than sixty (60) days prior written notice. In the event this Agreement is canceled by ADHS, ADHS shall remain responsible for reimbursement of Housing for all work performed through the date of termination.
7. **Nondiscrimination.** The parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing equal employment opportunity, nondiscrimination and affirmative action, including the Governor's Executive Order 99-4.
8. **Records.** Pursuant to A.R.S. 35-314, all books, accounts, reports, files and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the State for a period of five (5) years after completion of this Agreement and each party shall retain all such books, accounts, reports, files and other records for that five (5) year period.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized representatives on the respective dates entered below.

ARIZONA DEPARTMENT OF HOUSING

Signature:

Title:



Director,

Arizona Department of Housing

ARIZONA DEPARTMENT OF HEALTH SERVICES

Signature:

Title:



Procurement Administrator,

Arizona Department of Health Services

Exhibit A – Scope of Services

Summary

This Interagency Service Agreement (ISA) is between the Arizona Department of Health Services (ADHS) and the Arizona Department of Housing (Housing) for the purpose of outlining duties to be performed by Housing to provide technical assistance, project underwriting and risk assessment analysis, as well as making final recommendations to ADHS on the feasibility of funding particular housing projects for the seriously mentally ill funded by ADHS through Non Title XIX Usage (ComCare Trust). In consideration for the services outlined below under the Scope of Work, ADHS will reimburse Housing through a transfer of \$32,400.00 in one lump sum as the total amount paid to Housing to perform the responsibilities identified in this Agreement. ADHS has approximated that under this contract they expect to fund eight (8) single-family units and one (1) small multi-family complex, though the number of units may vary slightly from this estimate. \$32,400.00 constitutes the entire amount transferred under this Agreement unless housing development projects in excess of eleven (11) units are identified or the unit mix otherwise deviates significantly from expected units described above, at which time ADHS and Housing agree to renegotiate additional compensation to Housing for additional services rendered.

Scope of Work

Housing shall provide technical assistance, project underwriting and risk analysis, and funding recommendations for ComCare Trust fund proposals brought forth by the Regional Behavioral Health Authorities (RBHA) for the development of housing units dedicated to low-to-moderate income seriously mentally ill adults. Associated tasks shall include the following:

1. Housing will designate its Special Needs Housing Programs Manager as the primary contact with ADHS and the RBHAs in connection with work completed under this ISA. Specific tasks such as the provision of technical assistance, site visits and risk assessment may be completed by other Housing staff determined by Housing to possess the necessary skills to provide the services outlined in this scope of work.
2. Housing may provide technical assistance to RBHAs and/or their designees for project planning and pre-development activities for housing developed under the ComCare Trust with ADHS at the request of the RBHA. It is understood by both parties that the RBHAs and their designees are already possessing in the necessary experience and skills to complete such transactions with minimal assistance from Housing staff. Housing staff will be available primarily in this capacity to provide advice to the RBHAs and/or their designees regarding specific problems associated with specific projects and properties and to provide suggested mitigation measures when Housing identifies potential problems during its underwriting or physical inspections of such projects. Housing will not be relied upon to identify properties, provide primary inspections of properties in order to determine rehabilitation requirements, negotiate with owners, or to provide extensive technical assistance to any project for which Housing has deemed the project infeasible.
3. Housing will provide to the RBHAs and/or their designees project application materials which the RBHAs and/or their designees will be required to complete and submit to Housing for review prior to Housing making recommendations to ADHS about the general acceptability of any project. The application package obtained from Housing may include general financial guidelines regarding acceptable construction and development costs, developer and professional fees paid in conjunction with the development of housing units.
4. Upon submittal of an application package by the RBHAs to Housing, Housing will review each package and may make a site visit to assess site feasibility. As part of the application review Housing will conduct a risk analysis and underwriting assessment in order to provide a written summary and final recommendation regarding funding to ADHS. Final determination on the funding of all projects rests with ADHS.
5. Once a project is approved for funding by ADHS, ADHS will notify Housing in writing of such project acceptance and Housing will prepare appropriate legal documents that protect the interest of the State of Arizona and ensure that each housing unit is used solely for the benefit of eligible seriously mentally ill

adults for a period of at least 15 years from the date of project completion. Documentation shall include a deed restriction and reversionary clause that requires the housing be used solely for the benefit of seriously mentally ill adults. Housing will provide written instructions to the RBHA and ADHS detailing execution requirements for all legal instruments. ADHS will be responsible for ensuring that all legal instruments have been executed and will maintain title files on all assisted properties.

6. All files, pertaining to development expenses, legal documents pertaining to each property's title and restrictions, as well as the results of any project monitoring shall be maintained by ADHS. Housing shall maintain project files containing notes with respect to its technical assistance and underwriting of each project and shall maintain such files for a period of five (5) years after it submits its final funding recommendation to ADHS on each project.
7. Should any dispute or problems arise between the RBHAs and Housing during the provision of technical assistance or project review, Housing will attempt to resolve the dispute at the lowest organizational level as possible. Problems that cannot be resolved between the primary Housing contact and the RBHA shall be elevated to the ADHS/DBHS Assistant Director or their designee in a timely manner. The decision of the ADHS/DBHS Assistant Director shall be binding.